

PERMITTING COMMUNICATIONS UTILITIES TO
CONTRIBUTE FREE SERVICES TO THE
NATIONAL DEFENSE

JUNE 10, 1940.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

Mr. BULWINKLE, from the Committee on Interstate and Foreign Commerce, submitted the following

REPORT

[To accompany S. 3018]

The Committee on Interstate and Foreign Commerce, to whom was referred the bill (S. 3018) to amend section 210 of the Communications Act of 1934, approved June 19, 1934 (48 Stat. 1073; 47 U. S. C. 210), so as to permit communications utilities to contribute free services to the national defense, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

The bill, which has the approval of the Federal Communications Commission and the Navy Department, is as follows:

[S. 3018, 76th Cong., 3d sess.]

AN ACT To amend section 210 of the Communications Act of 1934, approved June 19, 1934 (48 Stat. 1073; 47 U. S. C. 210), so as to permit communication utilities to contribute free services to the national defense

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 210 of the Communications Act of 1934, approved June 19, 1934 (48 Stat. 1073; 47 U. S. C. 210), is hereby amended by inserting after the words "SEC. 210" the letter "(a)" and by adding at the end of the section the following subsection:

"(b) Nothing in this Act or in any other provision of law shall be construed to prohibit common carriers from rendering to any agency of the Government free service in connection with the preparation for the national defense: *Provided*, That such free service may be rendered only in accordance with such rules and regulations as the Commission may prescribe therefor."

Passed the Senate April 10 (legislative day, April 8), 1940.

Attest:

EDWIN A. HALSEY, *Secretary*.

A letter from the Federal Communications Commission is as follows:

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D. C.

HON. CLARENCE F. LEA,
*Chairman, Committee on Interstate and Foreign Commerce,
House of Representatives, Washington, D. C.*

MY DEAR CHAIRMAN LEA: This will reply to your letter of April 22, 1940, requesting the comments of the Federal Communications Commission on S. 3018, a bill to amend section 210 of the Communications Act of 1934, so as to permit communication utilities to contribute free services to the national defense.

The bill would amend existing law by specifically authorizing communications common carriers to render to Government agencies, particularly the Navy Department, free service in connection with preparation for national defense under rules and regulations to be prescribed by the Commission. The bill would merely permit carriers to render occasional free services of a special character relating to national defense by adding an additional classification to these services, which, under section 210 of the Communications Act as now written, may be rendered free of charge and would impose no requirements of any kind on the carriers. No expense to the Government would result from the enactment of the bill.

As stated on behalf of the Commission in the course of hearings held on this measure before the Committee on Naval Affairs of the United States Senate on March 12, 1940 (hearings on S. 3018, pp. 34 and 35, 76th Cong., 3d sess.), the Federal Communications Commission sees no objection to the provisions of the bill and favors the enactment thereof.

The Commission has been advised by the Bureau of the Budget that it has no objection to the submission of this report, favorable to the enactment of the bill.

Sincerely yours,

JAMES LAWRENCE FLY, *Chairman.*

The Navy Department's views relative to this measure are contained in a letter dated February 2, 1939, addressed to the Speaker, House of Representatives, which is hereby made a part of this report.

NAVY DEPARTMENT,
Washington, February 2, 1939.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES,
Washington, D. C.

MY DEAR MR. SPEAKER: There is transmitted herewith a draft of a proposed bill to amend section 210 of the Communications Act of 1934, approved June 19, 1934 (48 Stat. 1073; 47 U. S. C. 210), so as to permit communication utilities to contribute free services to the national defense.

The purpose of the proposed legislation is to provide a means by which commercial communication utilities may contribute voluntarily and without charges to the national defense in the same manner as they did occasionally prior to enactment of the Communications Act of 1934.

The Navy Department realizes that commercial communication facilities would occupy a position of great importance during war or other national emergency. It follows that these facilities should receive some training during peace in anticipation of absorption into the military services in case of need. It is planned that, should the proposed legislation be enacted, the Navy will engage in a small amount of traffic with commercial utilities without cost to the Government for purposes of training and indoctrination.

The purpose of restrictions upon franks and free services is, no doubt, to prevent preferences and unfair competition among communication utilities. However, the rendering of free services to agencies of the Government in connection with preparations for the national defense in no way constitutes unfair competition, and in view of the great potential importance of commercial communication facilities in national emergencies, it is desired to clarify or amend the law so as to reestablish the cooperation which formerly existed.

The Navy Department recommends that the proposed legislation be enacted.

WILLIAM D. LEAHY, *Acting.*

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in the Communications Act of 1934 made by the bill are shown as follows (new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

FRANKS AND PASSES

SEC. 210. (a) Nothing in this Act or in any other provision of law shall be construed to prohibit common carriers from issuing or giving franks to, or exchanging franks with each other for the use of, their officers, agents, employees, and their families, or, subject to such rules as the Commission may prescribe, from issuing, giving, or exchanging franks and passes to or with other common carriers not subject to the provisions of this Act, for the use of their officers, agents, employees, and their families. The term "employees", as used in this section, shall include furloughed, pensioned, and superannuated employees.

(b) *Nothing in this Act or in any other provision of law shall be construed to prohibit common carriers from rendering to any agency of the Government free service in connection with the preparation for the national defense: Provided, That such free service may be rendered only in accordance with such rules and regulations as the Commission may prescribe therefor.*

